

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 453 - HB 631

April 2, 2009

SUMMARY OF BILL: Extends the expiration date of the nursing home bed tax from June 30, 2009 to June 30, 2011. Authorizes the Board for Licensing Health Care Facilities to suspend admissions at a facility that is more than 60 days delinquent in paying an installment of the tax. Grants the Board the authority to consider revocation of a facility's license if full payment is not received within 60 days of the suspension of admissions.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Other Fiscal Impact – Prevent the loss of \$84,900,000 in State Revenue

Revenue recognition of \$84,900,000 is included in the Governor's FY09-10 Recommended Budget

Assumptions:

- Any increase or decrease in nursing home beds for the second year will lead to a corresponding increase or decrease in the amount collected.
- The actual FY07-08 collection of the nursing home tax was \$84,878,314.
- Current law authorizes the Board to start license revocation procedures if a facility is more than 60 days delinquent in paying the its installment. The proposed legislation will grant the facility an additional 60 days to make a payment in full prior to the Board considering revocation of the facility's license.
- There are few facilities that are more than 60 days delinquent on paying the tax.
- The Board for Licensing Health Care Facilities will not incur a significant increase in expenditures to make any necessary rule changes. Changes will be made at a regularly scheduled meeting. Any cost can be accommodated within existing resources.

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- Pursuant to Tenn. Code Ann. § 68-11-216, the Board for Licensing Health Care Facilities is required to be self-supporting over a two-year period. The Board had a negative closing balance of \$440,300 in FY06-07 and a negative closing balance of \$217,700 in FY07-08.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml